6 August 1952

MORI/CDF)

	MEMORANDUM I	FOR GENERAL SMITH		
25X1	SUBJECT:	PSB Staff Paper entitled Science Research in Cold as prepared by 11 April 1952	"Report on Social War Operations," dated	25X1
	REFERENCE:	Memorandum from Social Science Research,	for DCI, subject, undated.	
2574	l. The follows:	background of this matter	e, as known to me, is as	25X1
25X1	a.	In the course of preparin	g subject Report.	\neg
25X1	with these c	of the PSB staff held cert who was then A onversations had been held	cain informal discussion ID/RR. After some of I, a formal request was	 1#:
25X1	made on	CIA (by memorandum dated	February 14, 1952 from urnish research breakdou	n.
25X1	tion of	The question of furnishin was referred to Mr. Saunde that CIA had not previousl such figures outside CIA. that to make CIA fiscal i	ers, who advised Mr. y authorized dissemina- Mr. Saunders further	
25X1	the pur to spec Bureau	poses of the survey as requal security arrangements of the Budget which, accor	uested would be contrar in effect with the ding to was	y
	coopera	onig wron	s study.	23/1
	currence 5 March to the	Upon being so advised, e of Mr. Wolf, wrote to 1952, explaining the circ special security arrangement of the Budget, stating in	nts in effect with the	25X1
	from the nece for	To believe it nost desirally that any fiscal data con the subject survey. I know importance of our taking assary to prevent disclosuration that might indicate	ncerning CIA be exclude now you will appreciate all security measures re of any fiscal in- the magnitude of the	d

25X1		
25X1	d. letter of March 5 was reported in the Pirector's log as of 6 March and at the Deputites! 25X1 meeting on that date the Director commented favorably on our refusal to give CIA budget figures to the PSB. General Smith indicated that all PSB required was to know what research was being done and where. PSB had no need to have any figures. This was noted of record by in his Diary of 6 March 1952.	
25X1	c. After receiving the CIA letter refusing to furnish 25X1 these figures, and requested authority to have discuss the research problem generally with puring this conversation, made it plain to	
23/1	(1) That the DCI himself had disapproved the furnishing of the figures, and	
	(2) That CIA could not, in the light of the foregoing, agree to the inclusion of such figures in 25X1 the proposed PSB Report.	
25X1	f. Notwithstanding this clear expression of the Director's views, the PSB Report as prepared by under date of 11 April 1952 contained references to CTA and figures respecting amounts allocated to research by CTA which, although rounded off, are generally accurate, as was determined by reference to Mr. Saunders.	
25X1	bo Fit . Deminers.	
25X1	g. The PSB draft memorandum containing such figures was handcarried by to Mr. Dulles (who was not fully informed as to the foregoing background) with a request for clearance. did not inform Mr. that he had made this request of Mr. Dulles. Fr. 25X1 Dulles, in turn, referred the Report to for comment.	
25X1	h. On April 23, 1952, called to Mr. attention, by phone, the fact that the Report in the form in which it was presented to Mr. Dulles was contrary to the understanding previously reached, which, on the part of CIA, was a position taken pursuant to specific instructions by the DCI.	25X1
25X1	undertook to review the Report and consider deletion of all references to CIA. Under date of 23 April 1952, noted in his Official Diary:	

25X1 "Briefed Mr. Dulles respecting the PSB paper on research on cold war operations, which contained 25X1 references to CIA directly contrary to the understanding that I had reached with lunder 25X1 instructions from the Director. Mr. Dulles took 25X1 at lunch, and this up with later called me, at which time I suggested that all references to CIA be deleted. If any questions arose in the PSB, the General would be sitting as Chairman 25X1 and could answer them as he saw fit. ____undertook to have a talk with and to inform me of what references they plan to make. He stated that this paper had not been distributed to anyone outside PSB, including the Budget Bureau. I made it plain that I felt that the paper in its present form was contrary to the understanding that we had reached." 25X1 25X1 Thereafter, on May 2, 1952, wrove to a f. stating that reexamination of the Report wax has made us feel that the references in question are an essential part of the report and that we are 25X1 consequently faced with either scrapping the report or submitting it with the references." 25X1 After receiving this letter from addressed a memorandum to Mr. Wolf, giving the bac :ground of this situation and requesting that he be assure 1: 25X1 (a) That the release of these figures in the 1014 in which they were set out in the _____iraft report would be contrary to previously-established policy of CIA; and (b) That such policy had theretofore been applied / in dealings with the Budget Bureau. k. On 7 May 1952, Mr. Wolf advised in reply "that the release of the budgetary amounts contained 25X1 in the draft Report is contrary to previouslyestablished policy of the Agency and that we have a general understanding with representatives of the Bureau of the Budget that CIA budgetary information is not available for dissemination to other agencies and/or establishments."

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	on 16 May 1952, wrote to stating in part:	25X1
	The have given your suggestion very careful consideration, but to authorize your request would involve a departure from a long-established policy which we think is of importance to the security, and other interests, of this Agency.	
	sary to discard the report if our figures are excluded, but do wish to point out that you were advised before the draft report was prepared, of the existence of this policy and of the Director's desire that the figures not be included.	
25X1	"I would appreciate it if you would have the references to CIA, and the breakdown of figures relating to it, excised from the report."	25X1
25X1	of the conversation at this luncheon concluded with the statement:	25X1
2EV4	to see the questions raised by presented formally or informally.	25X1
25X1	n. On Wednesday, 3 July 1952, discussed the of PSB and made the following	ı
25X1	"Chatted with Director of the PSB respecting the Report. I explained to him the situation with respect to the figures cited in the Report and also the general reasons why I feel that the matters considered in this Report could best be handled by a program of coordination undertaken by the Department of State, rather than PSB. I indicated, however, that if the figures relating to CIA were deleted, I would have no objection to the circulation of the Report, since it was at least thought-provoking and that is what was required in this field. After some discussion.	25X1

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25X1	indicated that he would transmit the deport, with the figures relating to CTA deleted. to Gen. Smith under a covering letter from which would be transmitted to Gen. Smith through me. Thus permitted us to cancel the later meeting scheduled with the General and I so informed the General at the Deputies' meeting."	25X1
25X1	of PSB conferred with Mr. Saunders with respect to the deletion of the CIA figures from the Report. Despite the understanding reacked between	25X1 25X1
25X1	insisted upon including CIA lighter. Thereupon Mr. Saunders calledinto the meeting, at which timeagain made clear the position of CIA that the figures could not be used in the Report, either	25X1
	separately or as part of a total governmental research igu '.	25X1
25X1	p. Several days later, Dr. and inquired as to the status of the revision of the Reporta-	25X1
25X1	as to the release of the Report was the deletion of the CIA figures and stated that he understood that re doing this and would thereafter clear with TIA. indicated no dissatisfaction with this arrangement.	25X1
25X1	q. undated memorandum requesting Gen. Smith's reconsideration was noted by the DCI on 31 July 1952.	
2574	2. It is apparent from the foregoing that:	
25X1 25X1	first point is not a "difference of opinion" between the CIA and PSB staffs, but the refusal of PSB to accept the DCI's determination that CIA budget figures could not be released in a PSB report. and his staff have been fully advised that was acting under DCI's instructions and that, if it were important for PSB itself to consider these figures the DCI would be sitting as Chairman of the Board and could have them made available.	25x1
25X1	on behalf of UlA "objected to the release of the information on jurisdictional grounds "	• :
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